

Overall Dependability Rises in Germany but Buyers of German Brands Less Satisfied, J.D. Power FindsMitsubishi Ranks Highest among Volume Brands; Volvo Ranks Highest among Premium Brands

MUNICH: 15 May 2019 – Vehicle brands in Germany are making notable strides in vehicle reliability, according to the J.D. Power 2019 Germany Vehicle Dependability Study,SM released today.

The study, now in its fifth year, measures problems per 100 vehicles (PP100, in which a lower score indicates a higher performance) across 177 problem symptoms in eight categories: vehicle exterior; driving experience; features/controls/displays (FCD); audio/communication/entertainment/navigation (ACEN); seats; heating, ventilation and air conditioning (HVAC); vehicle interior; and engine & transmission.

This year's study shows lower PP100 scores across every category from 2018, the best overall industry performance in Germany since the study's redesign in 2015, and outperforming the UK market for the first time. However, while the study shows increased overall dependability, some of Germany's own brands are failing to live up to expectations. In fact, in this year's rankings, all three German premium vehicle brands—Audi, BMW and Mercedes-Benz—languish below industry average.

"Vehicle buyers in Germany appear to be particularly loyal to German premium marques, but this will not last if the product experience does not hold up to the initial delight at the time of purchase," said **Josh Halliburton, Head of European Operations at J.D. Power**. "Volvo—the leading premium marque—and most major volume brands rank well above the German brands. Audi, BMW and Mercedes-Benz need to improve the reliability and robustness of the premium features and materials before customers look elsewhere."

The poor performance of these top German brands is despite the fact that owners of premium vehicles are more forgiving of quality issues than are owners of volume brands.

Following are key findings of the 2019 study:

- **ACEN loses its way:** ACEN problems increase by 2 PP100 for volume and premium brands, compared with 2015. At an industry level, just one ACEN problem has improved since 2015: audio system—broken/not working. In the premium segment, the main problem to worsen is navigation system—difficult to operate, while in the volume segment, the highest problem area to worsen is built-in voice recognition.
- **The heat is on:** HVAC problems have the greatest influence on APEAL satisfaction. APEAL (Automotive Performance, Execution and Layout) Index satisfaction scores among owners who experience HVAC problems is 72 points lower (on a 1,000-point scale) than among owners who experience no HVAC problems.
- **Satisfaction—no guarantees:** Despite experiencing fewer PP100 than owners in the UK, buyers in Germany are less satisfied with their vehicles. APEAL scores for both volume and premium segments in Germany are lower than those in the UK.
- **More problems yet higher satisfaction:** Owners of premium brands cite more problems than owners of volume brands—but have higher overall APEAL Index satisfaction—typically due to additional features and technology found in premium models. Satisfaction among owners of volume brands also declines at a faster rate than among owners of premium brands as quality issues are encountered.

- **Familiarity breeds loyalty:** More than one-third (35%) of owners say they have had a previous experience with the brand they purchased. These loyal customers have the advantage of familiarity with a vehicle's systems, operations and features. The study reveals such owners cite 28 fewer PP100 across all categories.

Brand Rankings

Overall dependability is determined by the number of problems experienced per 100 vehicles, with a lower score reflecting higher quality. The top 11 brands for vehicle dependability are volume brands, with **Mitsubishi** ranking highest in overall vehicle dependability with a score of 85 PP100. Among volume brands, **Škoda** (88 PP100) ranks second and Hyundai (89 PP100) ranks third.

Volvo is the highest-ranking premium brand with 111 PP100, though it ranks 12th overall. German premium brands **BMW** (129 PP100), **Mercedes-Benz** (137 PP100) and **Audi** (142 PP100) rank 17th, 19th and 20th, respectively.

Another metric for dealers to consider is the Net Promoter Score® (NPS).¹ Introduced with the study last year, it measures customers' likelihood to recommend their vehicle model on a 0-10 scale. Customers are segmented into three groups: detractor (0-6), passive (7-8) or promoter (9-10). NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The NPS score for the volume segment in this year's study is 48 (58% promoters vs. 9% detractors). For the premium segment, it is 54 (63% promoters vs. 9% detractors).

The 2019 Germany Vehicle Dependability Study is based on responses from 12,854 owners of vehicles first registered between November 2015 and January 2018. The study, which measures problems experienced during the past 12 months by original owners of vehicles in Germany after 12-36 months of ownership was fielded from November 2018 through January 2019.

Additional study results are published in the AUTO TEST supplement to SPORT BILD, on newsstands May 22, and in the June 2019 issue of AUTO TEST – Der Kaufberater, on newsstands May 29.

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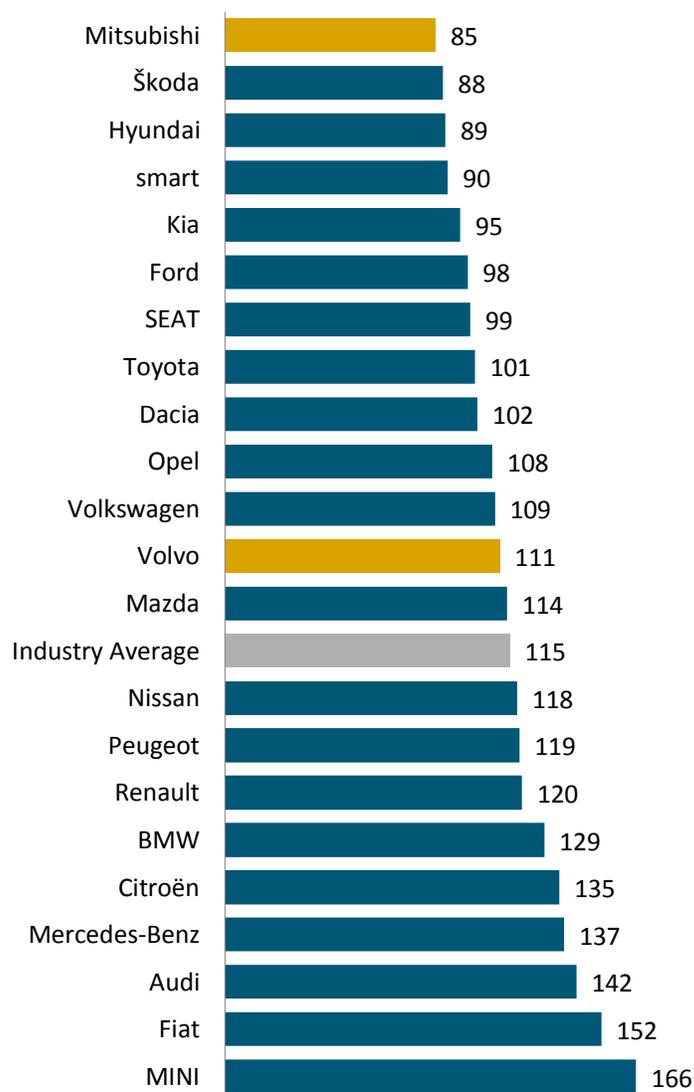
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NOTE: Two charts follow.

J.D. Power 2019 Germany Vehicle Dependability StudySM (VDS)

2019 Nameplate VDS Ranking - Industry

Problems per 100 Vehicles (PP100)



Note: Honda, Jeep, Land Rover, Porsche and Suzuki are included in the study, but are not ranked due to small sample size.

Source: J.D. Power 2019 Germany Vehicle Dependability StudySM (VDS)

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J.D. Power 2019 Germany Vehicle Dependability StudySM (VDS)

Top Three Models per Segment

City Car Highest Ranked: smart fortwo Volkswagen Up! Hyundai i10	Large and Luxury Highest Ranked: Mercedes Benz E-Class
Compact Highest Ranked: Škoda Rapid SEAT Leon BMW 1 Series	Midsize Highest Ranked: Opel Insignia Škoda Superb Ford Mondeo
Compact SUV Highest Ranked: Hyundai Tucson Mazda CX-5 Kia Sportage	Small Highest Ranked: Škoda Fabia Citroën C3 Hyundai i20

Top three models and award recipients include only those at or above respective segment averages.

Note: There must be at least three models with 80% of market sales or four models with 67% of the market sales in any given award segment for an award to be presented. Large SUV, MPV, and Small SUV segments did not meet criteria to be award eligible, thus no award will be issued.

**For more detailed findings on vehicle quality and dependability performance,
visit www.jdpower.com/dependability**

Source: J.D. Power 2019 Germany Vehicle Dependability StudySM (VDS)

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